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## Press-release

### RA Expert Rating upgrades the outlook of the rating of PJSC Kievkhele bonds to positive

On September, 28th, 2012 RA Expert Rating took decision on confirmation of the rating of planned issue of bonds of PJSC "Kievkhele" (USREOU code 00381574) at level **uaBBB +** and on upgrade of the outlook from stable to positive. A borrower or a separate debt instrument with the rating **uaBBB +** is characterized by sufficient credit status in comparison with other Ukrainian borrowers or debt instruments. The Agency has confirmed the credit rating after the analysis of the consolidated data on the Group of Companies Kievkhele for H1 2012.

Table 1

Consolidated indicators of PJSC Kievkhele (UAH th., p.p., %)

Indicators	H I 2012	H I 2011	Change in 2011-2012	Growth rate in 2011-2012
Fixed assets residual value	186 523,9	187 399,6	-875,7	-0,47%
Inventories	57 457,0	58 873,2	-1 416,2	-2,41%
Accounts Receivable	125 673,6	94 350,2	31 323,4	33,20%
Accounts Payable	135 275,6	96 207,2	39 068,4	40,61%
Accounts Receivable/Payable	92,90%	98,07%	-5,17 p.p.	-
Shareholders' equity	159 609,4	130 400,4	29 209,0	22,40%
Liabilities	261 206,9	265 188,3	-3 981,4	-1,50%
Shareholders' equity / Liabilities ratio	61,10%	49,17%	11,93 p.p.	-
Long term bank loans	28 000,0	81 439,5	-53 439,5	-65,62%
Short term bank loans	78 164,2	44 432,7	33 731,5	75,92%
Total company debt to investors in bonds	3 686,3	12 200,0	-8 513,7	-69,78%
Sales income	1 129 619,5	971 157,7	158 461,8	16,32%
Net income	970 897,5	842 968,8	127 928,7	15,18%
Net profit (loss)	6 879,80	-12 067,10	18 946,90	-
ROE	4,31%	-9,25%	13,56 p.p.	-
ROS	2,53%	0,62%	1,91 p.p.	-
EBIT	29246,40	4523,40	24723,00	546,56%
EBITDA	40247,50	15477,90	24769,60	160,03%
EBITDA/Liabilities	15,41%	5,84%	9,57 p.p.	-

Source: Group of Companies Data, calculations by RA Expert Rating

Note: the table contains data of consolidated reports.

When confirming the rating, the Agency was guided by the following conclusions:

1. Following the results of H1 2012 the income from sales of the Group of companies has grown in comparison with the same period of 2011 on UAH 158,5 million or on 16,32 % and has made UAH 1 129,6 million. Increase in accounts receivable and payable (accordingly – by UAH 31,3 million and UAH 39,1 million), expansion of the range of some finished goods proves to the

continuation of active commercial policy of the Group of companies directed on increase of sales and market share, enlargement of finished products range.

2. During H1 2012 the Group of Companies repaid long-term bank credits for UAH 53,5 million. Short-term credits increased by UAH 33,7 million, that is explained by reclassification of a part of long-term credit indebtedness into the short-term one. The overall debt load on bank loans of the Group of companies decreased by UAH 19,8 million, while shareholders' equity of the Group grew on UAH 29,2 million. Autonomy coefficient - being key indicator of solvency, continued to grow, having reached the level of 61,1 %, being the highest among the large producers in the industry.

3. In H1 2012 the net profit of the Group of companies was UAH 6,9 million vs. loss of UAH 12 million for the same period of 2011. Also following the results of H1 2012 the emitter has shown considerable growth of EBIT and EBITDA, on 547 % and 160 % accordingly. The ratio EBITDA/liabilities of the emitter increased by 9,6 p.p.

4. The overall amount of Emitter debt to investors under bonds in H1 2012 has decreased by 70 %, in comparison with H1 2011.

Thus, in H1 2012 PJSC Kievhleb managed to improve considerably financial and business performance that served as a reason for upgrade of emitter rating outlook.

*Analytical service of RA Expert Rating*